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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/918,990	07/31/2001	David C. Parkes	YOR9-2001-0531 (8728-535)	3806
46069	7590	10/06/2006	EXAMINER OYEBISI, OJO O	
F. CHAU & ASSOCIATES, LLC 130 WOODBURY ROAD WOODBURY, NY 11797			ART UNIT 3692	PAPER NUMBER

DATE MAILED: 10/06/2006

Please find below and/or attached an Office communication concerning this application or proceeding.

<b>Office Action Summary</b>	Application No. 09/918,990	Applicant(s) PARKES ET AL.	
	Examiner OJO O. OYEBISI	Art Unit 3628	

**-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --**  
**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

#### Status

- 1) ☒ Responsive to communication(s) filed on 12/15/04.
- 2a) ☐ This action is **FINAL**.                      2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

#### Disposition of Claims

- 4) ☒ Claim(s) 1-15 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-15 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

#### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 07/31/01 is/are: a) ☒ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

#### Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All    b) ☐ Some \* c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- \* See the attached detailed Office action for a list of the certified copies not received.

#### Attachment(s)

- |  |   |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)                                | 4) <input type="checkbox"/> Interview Summary (PTO-413)<br>Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)                       | 5) <input type="checkbox"/> Notice of Informal Patent Application                       |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08)<br>Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____  |

## DETAILED ACTION

### *Specification*

1. The abstract of the disclosure is objected to because it is replete with legal phraseologies such as: "comprising" and "said". Correction is required. See MPEP § 608.01(b).

### *Claim Rejections - 35 USC § 112*

2. The following is a quotation of the first paragraph of 35 U.S.C. 112:

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

3. Claims 1-15 are rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the enablement requirement. The claim(s) contains subject matter which was not described in the specification in such a way as to enable one skilled in the art to which it pertains, or with which it is most nearly connected, to make and/or use the invention. The claims recite computing a Vickrey discount to each said winning agent as the difference between available surplus with all agents present minus available surplus without said winning agent computing payment discounts. In order to further understand the mechanism of this invention, the specification was consulted. However, there is no definition, in the specification, of what constitutes "available surplus", let alone how it is derived or computed. Further, the claim recite "selecting a distance function." However, the applicant did not describe anywhere in the specification how this distance function is calculated or computed. Further still, the claims recite parameterized payment rule which comprises: a Threshold Rule  $\max(0, \text{DELTA} \cdot \text{sub.l.sup.V-C})$ ,  $C \cdot \text{gtoreq} 0$  if said

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selected distance function is  $L_{sub.2}(\Delta, \Delta_{sup.V})$  or  $L_{sub.infin}(\Delta, \Delta_{sup.V})$ ; a Small Rule  $\Delta_{sub.I.sup.V}$  if  $\Delta_{sub.I.sup.V} \leq C$ ,  $C \geq 0$  if said selected distance function is  $L_{sub.RE}(\Delta, \Delta_{sup.V})$ ; a Reverse Rule  $\min(\Delta_{sub.I.sup.V}, C)$ ,  $C \geq 0$  if said selected distance function is  $L_{sub.pi}(\Delta, \Delta_{sup.V})$ ; a Fractional Rule  $\mu \cdot \Delta_{sub.I.sup.V}$ ,  $0 \leq \mu \leq 1$  if said selected distance function is  $L_{sub.RE2}(\Delta, \Delta_{sup.V})$ ; and a Large Rule  $\Delta_{sub.I.sup.V}$  if  $\Delta_{sub.I.sup.V} \geq C$ ,  $C \geq 0$  if said selected distance function is  $L_{sub.RE}(\Delta, \Delta_{sup.V})$ . In order to further understand the mechanism of this invention, the specification was consulted. However, there is no definition, in the specification, of what constitutes, "a payment rule, a Threshold Rule Max, a Small Rule, a Reverse Rule, a Fractional Rule, and a Large Rule", let alone how these rules are derived or computed.

4. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

5. Claims 1-15 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. The claims recite computing a Vickrey discount to each said winning agent as the difference between available surplus with all agents present minus available surplus without said winning agent computing payment discounts. In order to further understand the mechanism of this invention, the specification was consulted. However, there is no definition, in the specification, of what

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constitutes "available surplus." Further, the claims recite parameterized payment rule which comprises: a Threshold Rule  $\max(0, \Delta_{sub.I.sup.V} - C)$ ,  $C \geq 0$  if said selected distance function is  $L_{sub.2}(\Delta, \Delta_{sup.V})$  or  $L_{sub.infin}(\Delta, \Delta_{sup.V})$ ; a Small Rule  $\Delta_{sub.I.sup.V}$  if  $\Delta_{sub.I.sup.V} \leq C$ ,  $C \geq 0$  if said selected distance function is  $L_{sub.RE}(\Delta, \Delta_{sup.V})$ ; a Reverse Rule  $\min(\Delta_{sub.I.sup.V}, C)$ ,  $C \geq 0$  if said selected distance function is  $L_{sub.pi}(\Delta, \Delta_{sup.V})$ ; a Fractional Rule  $\mu \Delta_{sub.I.sup.V}$ ,  $0 \leq \mu \leq 1$  if said selected distance function is  $L_{sub.RE2}(\Delta, \Delta_{sup.V})$ ; and a Large Rule  $\Delta_{sub.I.sup.V}$  if  $\Delta_{sub.I.sup.V} \geq C$ ,  $C \geq 0$  if said selected distance function is  $L_{sub.RE}(\Delta, \Delta_{sup.V})$ . In order to further understand the mechanism of this invention, the specification was consulted. However, there is no definition, in the specification, of what constitutes, "a payment rule, a Threshold Rule Max, a Small Rule, a Reverse Rule, a Fractional Rule, and a Large Rule." Further, claims 9-15 are rejected under 35 U.S.C. 112, second paragraph. Claim 9 recites the limitation "the apparatus of claim 8" in the preamble. There is insufficient antecedent basis for this limitation in the claim, since claim 8 only recites "A program storage device readable by machine." Claims 10-14 are rejected because of their dependency from the rejected claim 9. Further still, Claim 15 is rejected under 35 U.S.C. 112, second paragraph because claim 15 is a system claim, but appears to be directed to software per se. That is to say, all the "means" recited in claim 15 are directed to software without any structure limitations to be a system.

***Claim Rejections - 35 USC § 102***

6. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

7. Claims 1-5, 8-12 are rejected under 35 U.S.C. 102(e) as being anticipated by Hertz et al (Hertz hereinafter, PUB NO. 2001/0014868).

**Re claim 1.** Hertz discloses a method for computing payment discounts awarded to winning agents in an exchange, said method comprising: computing a Vickrey discount to each said winning agent as the difference between available surplus with all agents present minus available surplus without said winning agent; and computing said payment discounts by adjusting said Vickrey discounts so as to constrain said exchange to budget-balance (i.e., Then for each textual or associative attribute  $k$ , we may define the distance function  $d_{\text{sub.Vk}}(*,*)$ , a version of  $d_{\text{sub.k}}(*,*)$  that is specialized to this shopper in that it uses shopper  $V$ 's term weights or association weights  $w'_{\text{sub.Vk}}$ . Given these definitions, we may redefine  $d_{\text{sub.v}}(*,*)$  to use both the new attribute distance functions  $d_{\text{sub.Vk}}(*,*)$  together with the previously-discussed attribute weights  $w_{\text{sub.v}}$ , by taking a weighted combination of the two contributions. The weights  $w'_{\text{sub.Vk}}$  may be initialized by any of the methods described earlier for choosing term weights

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and association weights. They should always be adjusted immediately before the weights  $w_{\text{sub}.Vk}$  are adjusted, by replacing each weight  $w$  in each vector  $w'_{\text{sub}.Vk}$  with  $11 w V_{kj} - b_k e \cdot \text{times. } P X_{kj} - S_{kj} w V_{kj} - b_k e \cdot \text{times. } P X_{kj} - S_{kj}$ , see pgs 17-18 paras 0186).

**Re claims 2-3.** Hertz further discloses the method wherein said adjusting step further comprises: selecting a distance function comprising a metric of the distance between said payment discounts and said Vickrey discounts (see paras 0180 and 0244); minimizing said distance function under said budget-balance constraint and one or more bounding constraints (see paras 0158, also see “let  $S$  be the search profile in the shopper's search profile set that is closest to offer profile  $P_{\text{sub}.x}$ , i.e., that minimizes the distance  $d(P_{\text{sub}.x}, S)$ . Recall that  $S$  and  $P_{\text{sub}.x}$  can each be regarded as a numeric vector of offer attributes”, see pg 17 paras 0184); deriving a parameterized payment rule for said distance function (i.e., parameterized offer, see paras 0246); determining an allowable range of parameters so as to maintain budget-balance (see fig.4 element 502); and selecting values for said parameters within said allowable range (see paras 0244).

**Re claims 4-5.** Hertz further discloses the method wherein said bounding constraints comprises a constraint that said payment discounts be non-negative (i.e., The following provides another simple example of an estimation technique that has a presumption of no topical interest. Let  $g$  be a decreasing function from non-negative real numbers to non-negative real numbers, such as  $g(x) = e^{-x}$  or  $g(x) = (x+1)^{-k}$  where  $k \geq 0$ .

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Estimate topical interest  $f(U, X)$  with the following g-weighted average:  $f(U, X) = \frac{\sum g(d((U, X), (V, Y))) \cdot f(V, Y)}{\sum g(d((U, X), (V, Y)))}$ , see paras 0172), see paras 0172).

Re claim 8. Claim 8 recites similar limitations to claim 1 and thus rejected using the same art and rationale as in claim 1.

Re claims 9-10. Hertz further discloses The apparatus of claim 8 wherein said adjusting step further comprises: selecting a distance function comprising a metric of the distance between said payment discounts and said Vickrey discounts (see paras 0180 and 0244); minimizing said distance function under said budget-balance constraint and one or more bounding constraints (see paras 0158, also see “let S be the search profile in the shopper's search profile set that is closest to offer profile  $P_{sub.x}$ , i.e., that minimizes the distance  $d(P_{sub.x}, S)$ . Recall that S and  $P_{sub.x}$  can each be regarded as a numeric vector of offer attributes”, see pg 17 paras 0184); deriving a parameterized payment rule for said distance function (i.e., parameterized offer, see paras 0246); determining an allowable range of parameters so as to maintain budget-balance (see fig.4 element 502); and selecting values for said parameters within said allowable range (see paras 0244).

Re claims 11-12. The apparatus of claim 9 wherein said bounding constraints comprises a constraint that said payment discounts be non-negative (i.e., The following provides another simple example of an estimation technique that has a presumption of no topical interest. Let g be a decreasing function from non-negative real numbers to non-negative real numbers, such as  $g(x) = e^{-x}$  or  $g(x) = (x+1)^{-k}$  where  $k > 0$ .



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Estimate topical interest  $f(U, X)$  with the following g-weighted average:  $f(U, X) = \frac{\sum g(d((U, X)(V, Y))) \cdot f(V, Y)}{\sum g(d((U, X)(V, Y)))}$ , see paras 0172), see paras 0172).

### ***Claim Rejections - 35 USC § 103***

8. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

The factual inquiries set forth in *Graham v. John Deere Co.*, 383 U.S. 1, 148

USPQ 459 (1966), that are applied for establishing a background for determining

obviousness under 35 U.S.C. 103(a) are summarized as follows:

1. Determining the scope and contents of the prior art.
  2. Ascertaining the differences between the prior art and the claims at issue.
  3. Resolving the level of ordinary skill in the pertinent art.
  4. Considering objective evidence present in the application indicating obviousness or nonobviousness.
9. Claims 6-7, 13-14, and 15 are rejected under 35 U.S.C. 103(a) as being unpatentable over Hertz.

**Re claim 6.** Hertz does not explicitly disclose the method wherein said distance function is selected

from:  $L_{sub.2}(\Delta, \Delta^{sup.V}) = (\Sigma_{sub.I}(\Delta_{sub.I}^{sup.V} - \Delta_{sub.I}^{sup.2})^{sup.1/2}, L_{sub.\infty}(\Delta, \Delta^{sup.V}) = \max_{sub.I} | \Delta_{sub.I}^{sup.V} - \Delta_{sub.I} |, L_{sub.RE}(\Delta, \Delta^{sup.V}) = \Sigma_{sub.I}(\Delta_{sub.I}^{sup.V} - \Delta_{sub.I}) / \Delta_{sub.I}$

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$\text{L.sub.2}(\text{DELTA}, \text{DELTA..sup.V}) = \text{PI..sub.I} \cdot \text{DELTA..sub.I} \cdot \text{sup.V} / \text{DELTA..sub.I} \cdot \text{sup.V}$   
 $\text{L.sub.RE2}(\text{DELTA}, \text{DELTA..sup.V}) = \text{SIGMA..sub.I}(\text{DELTA..sub.I} \cdot \text{sup.V} - \text{DELTA..sub.I}) \cdot \text{sup.V} / \text{DELTA..sub.I} \cdot \text{sup.V}$ , and  
 $\text{L.sub.RE}(\text{DELTA}, \text{DELTA..sup.V}) = \text{SIGMA..sub.I} \cdot \text{DELTA..sub.I} \cdot \text{sup.V} / (\text{DELTA..sub.I} \cdot \text{sup.V} - \text{DELTA..sub.I})$

However, official notice are taken that

$\text{L.sub.2}(\text{DELTA}, \text{DELTA..sup.V}) = (\text{SIGMA..sub.I}(\text{DELTA..sub.I} \cdot \text{sup.V} - \text{DELTA..sub.I}) \cdot \text{sup.V})^{1/2}$ ,  
 $\text{L.sub.infin}(\text{DELTA}, \text{DELTA..sup.V}) = \max(\text{DELTA..sub.I} \cdot \text{sup.V}, \text{DELTA..sub.I})$ ,  
 $\text{L.sub.RE}(\text{DELTA}, \text{DELTA..sup.V}) = \text{SIGMA..sub.I}(\text{DELTA..sub.I} \cdot \text{sup.V} - \text{DELTA..sub.I}) / \text{DELTA..sub.I} \cdot \text{sup.V}$ ,  
 $\text{L.sub.PI}(\text{DELTA}, \text{DELTA..sup.V}) = \text{PI..sub.I} \cdot \text{DELTA..sub.I} \cdot \text{sup.V} / \text{DELTA..sub.I} \cdot \text{sup.V}$ ,  
 $\text{L.sub.RE2}(\text{DELTA}, \text{DELTA..sup.V}) = \text{SIGMA..sub.I}(\text{DELTA..sub.I} \cdot \text{sup.V} - \text{DELTA..sub.I}) \cdot \text{sup.V} / \text{DELTA..sub.I} \cdot \text{sup.V}$ , and  
 $\text{L.sub.RE}(\text{DELTA}, \text{DELTA..sup.V}) = \text{SIGMA..sub.I} \cdot \text{DELTA..sub.I} \cdot \text{sup.V} / (\text{DELTA..sub.I} \cdot \text{sup.V} - \text{DELTA..sub.I})$  are old and well-known mathematical notations in the art. Thus it would have been obvious to one of ordinary skill in the art to incorporate these old and well-known mathematical notations into Hertz in order to maximize the payment discount.

**Re claim 7.** Hertz does not explicitly disclose the method, wherein said parameterized payment rule comprises: a Threshold Rule  $\max(0, \text{DELTA..sub.I} \cdot \text{sup.V} - C)$ ,  $C \geq 0$  if said selected distance function is  $\text{L.sub.2}(\text{DELTA}, \text{DELTA..sup.V})$  or  $\text{L.sub.infin}(\text{DELTA}, \text{DELTA..sup.V})$ ; a Small Rule  $\text{DELTA..sub.I} \cdot \text{sup.V}$  if  $\text{DELTA..sub.I} \cdot \text{sup.V} \leq C$ ,  $C \geq 0$  if said selected distance function is  $\text{L.sub.RE}(\text{DELTA}, \text{DELTA..sup.V})$ ; a Reverse Rule  $\min(\text{DELTA..sub.I} \cdot \text{sup.V}, C)$ ,

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$C \geq 0$  if said selected distance function is  $L_{\pi}(\Delta, \Delta^V)$ ; a Fractional Rule  $\mu \Delta_{l \sup V}$ ,  $0 \leq \mu \leq 1$  if said selected distance function is  $L_{RE2}(\Delta, \Delta^V)$ ; and a Large Rule  $\Delta_{l \sup V}$  if  $\Delta_{l \sup V} \geq C$ ,  $C \geq 0$  if said selected distance function is  $L_{RE}(\Delta, \Delta^V)$ . However, official notice is taken that the notations stated hereinabove are all well-known mathematical notations. Thus it would have been obvious to one of ordinary skill in the art to incorporate these old and well-known mathematical notations into Hertz in order to maximize the payment discount.

**Re claim 13.** Claim 13 recites similar limitations to claim 6 and thus rejected using the same art and rationale as in claim 6.

**Re claim 14.** Claim 14 recites similar limitations to claim 7 and thus rejected using the same art and rationale as in claim 7.

**Re claim 15.** Hertz further discloses an automated system for computing payment discounts awarded to winning agents in an exchange, comprising: means for computing a Vickrey discount to each said winning agent as the difference between available surplus with all agents present minus available surplus without said winning agent; means for computing said payment discounts by adjusting said Vickrey discounts so as to constrain said exchange to budget-balance, wherein said adjusting means step further comprises: means for selecting a distance function comprising a metric of the distance between said payment discounts and said Vickrey discounts (i.e., Then for each textual or associative attribute  $k$ , we may define the distance function

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$d_{\text{sub.Vk}}(*,*)$ , a version of  $d_{\text{sub.k}}(*,*)$  that is specialized to this shopper in that it uses shopper V's term weights or association weights  $w'_{\text{sub.Vk}}$ . Given these definitions, we may redefine  $d_{\text{sub.v}}(*,*)$  to use both the new attribute distance functions  $d_{\text{sub.Vk}}(*,*)$  together with the previously-discussed attribute weights  $w_{\text{sub.v}}$ , by taking a weighted combination of the two contributions. The weights  $w'_{\text{sub.Vk}}$  may be initialized by any of the methods described earlier for choosing term weights and association weights. They should always be adjusted immediately before the weights  $w_{\text{sub.Vk}}$  are adjusted, by replacing each weight  $w$  in each vector  $w'_{\text{sub.Vk}}$  with  $\frac{1}{1 + w_{\text{Vkj}}} \cdot \frac{P_{\text{Xkj}} - S_{\text{Vkj}}}{w_{\text{Vkj}}}$ .

$P_{\text{Xkj}} - S_{\text{Vkj}}$ , see pgs 17-18 paras 0186); means for minimizing said distance function under said budget-balance constraint and one or more bounding constraints (see paras 0158, also see "let  $S$  be the search profile in the shopper's search profile set that is closest to offer profile  $P_{\text{sub.x}}$ , i.e., that minimizes the distance  $d(P_{\text{sub.x}}, S)$ . Recall that  $S$  and  $P_{\text{sub.x}}$  can each be regarded as a numeric vector of offer attributes", see pg 17 paras 0184), wherein said bounding constraints comprises a constraint that said payment discounts be non-negative and a constraint that said payment discounts not exceed said Vickrey discounts (i.e., The following provides another simple example of an estimation technique that has a presumption of no topical interest. Let  $g$  be a decreasing function from non-negative real numbers to non-negative real numbers, such as  $g(x) = e^{-x}$  or  $g(x) = (x+1)^{-k}$  where  $k > 0$ . Estimate topical interest  $f(U, X)$  with the following  $g$ -weighted average:  $f(U, X) = \frac{\sum_V g(d((U, X)(V, Y))) \cdot f(V, Y)}{\sum_V g(d((U, X)(V, Y)))}$ , see paras 0172), see paras 0172); means for deriving a

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parameterized payment rule for said distance function (i.e., parameterized offer, see paras 0246); means for determining an allowable range of parameters so as to maintain budget-balance (see fig.4 element 502); and means for selecting values for said parameters within said allowable range and wherein said values for said parameters are selected within said allowable range so as to minimize agent manipulation (see paras 0244). Hertz fails to explicitly disclose, wherein said distance function is selected from:

$$L_{sub.2}(\Delta, \Delta_{sup.V}) = (\Sigma_{sub.I}(\Delta_{sub.I} - \Delta_{sub.I}^{sup.V} - \Delta_{sub.I})^{sup.2})^{sup.1/2}, L_{sub.\infty}(\Delta, \Delta_{sup.V}) = \max_{sub.I} |\Delta_{sub.I}^{sup.V} - \Delta_{sub.I}|,$$

$$L_{sub.RE}(\Delta, \Delta_{sup.V}) = \Sigma_{sub.I}(\Delta_{sub.I}^{sup.V} - \Delta_{sub.I}) / \Delta_{sub.I}^{sup.V}, L_{sub.\pi}(\Delta, \Delta_{sup.V}) = \Pi_{sub.I} \Delta_{sub.I}^{sup.V} / \Delta_{sub.I},$$

$$L_{sub.RE2}(\Delta, \Delta_{sup.V}) = \Sigma_{sub.I}(\Delta_{sub.I}^{sup.V} - \Delta_{sub.I})^{sup.2} / \Delta_{sub.I}^{sup.V},$$

and

$$L_{sub.RE}(\Delta, \Delta_{sup.V}) = \Sigma_{sub.I} \Delta_{sub.I}^{sup.V} (\Delta_{sub.I}^{sup.V} - \Delta_{sub.I}),$$

and wherein said parameterized payment rule comprises: a Threshold Rule  $\max(0, \Delta_{sub.I}^{sup.V} - C)$ ,  $C \geq 0$  if said selected distance function is  $L_{sub.2}(\Delta, \Delta_{sup.V})$  or  $L_{sub.\infty}(\Delta, \Delta_{sup.V})$ ; a Small Rule  $\Delta_{sub.I}^{sup.V}$  if  $\Delta_{sub.I}^{sup.V} \leq C$ ,  $C \geq 0$  if said selected distance function is  $L_{sub.RE}(\Delta, \Delta_{sup.V})$ ; a Reverse Rule  $\min(\Delta_{sub.I}^{sup.V}, C)$ ,  $C \geq 0$  if said selected distance function is  $L_{sub.\pi}(\Delta, \Delta_{sup.V})$ ; a Fractional Rule  $\mu \Delta_{sub.I}^{sup.V}$ ,  $0 \leq \mu \leq 1$  if said selected distance function is

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$L_{sub} RE2(\Delta, \Delta^{sup.V})$ ; and a Large Rule  $\Delta_{sub.I}^{sup.V}$  if  $\Delta_{sub.I}^{sup.V} \geq C$ ,  $C \geq 0$  if said selected distance function is  $L_{sub} RE(\Delta, \Delta^{sup.V})$ . However, official notice is taken that the notations stated hereinabove are all well-known mathematical notations. Thus it would have been obvious to one of ordinary skill in the art to incorporate these old and well-known mathematical notations into Hertz in order to maximize the payment discount.

### ***Conclusion***


Any inquiry concerning this communication or earlier communications from the examiner should be directed to OJO O. OYEBISI whose telephone number is (571) 272-8298. The examiner can normally be reached on 8:30A.M-5:30P.M.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, HYUNG S. SOUGH can be reached on (571)272-6799. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

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Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

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HYUNG SOUGH  
SUPERVISORY PATENT EXAMINER  
TECHNOLOGY CENTER 3600